



DATE: January 28, 2021

TO: Transportation Authority of Marin Board of Commissioner

FROM: Anne Richman, Executive Director *Anne Richman*
Li Zhang, Chief Financial Officer/Deputy Executive Director

SUBJECT: Review and Acceptance of the 2020 Measure A/AA Compliance Audit Results (Action),
Agenda Item No. 10

RECOMMENDATION:

The TAM Board reviews and accepts the 2020 Measure A/AA Compliance Audit results.

The TAM Citizens' Oversight Committee (COC) reviewed the 2020 Measure A/AA Compliance Audit results at its January 19, 2021 meeting and voted unanimously to refer the item to the TAM Board for acceptance.

BACKGROUND:

TAM has a fiduciary responsibility to the voters of Marin County to ensure that both the Measure A and Measure AA ½-Cent Transportation Sales Tax funds are spent appropriately and has carried out this responsibility diligently since the inception of Measure A in 2004 with Measure A and now with Measure AA. Both the Measure A and AA Expenditure Plans provide TAM with the authority to audit all Measure A/AA fund recipients for their use of the sales tax proceeds. An independent compliance audit is explicitly permitted under the terms and conditions of TAM's funding agreement/contract with all Measure A/AA funding recipients. The COC played a critical role in the development of the original Compliance Audit Policy adopted by the TAM Board at its October 28, 2010 Board meeting and all the amendments since then. The implementation of the Policy started in 2011 with the audit of the FY2011-12 and prior Measure A funding activities.

The TAM Board approved the six Measure A/AA ½-Cent Transportation Sales Tax fund recipients that were selected for the tenth round of compliance audits in June 2020, as shown in the table below.

Measure A/AA Fund Recipients Selected for the 2020 Compliance Audit Cycle

No.	Fund Recipient	Funding Strategy/Category
Measure A Strategy 1/Measure AA Category 4 Local Bus Transit System		
1	Marin Transit	For all Measure A/AA funds received for its FY2019-20 transit operation and capital needs
Measure A Strategy 3.1/Measure AA Major Road Set Aside		
2	City of Novato	For its usage of the FY2019-20 or prior Measure A/AA Major Roads funds for the Planning and Environmental Review phase of Novato Blvd Project
Measure A Strategy 3.2/Measure AA Category 2.1 Local Street and Road		
3	County of Marin	For the usage of the FY2019-20 or prior Measure A/AA Local Roads funds
Measure A Strategy 4.2/Measure AA Category 3.2 Crossing Guard Program		
4	All City Management Services	For usage of crossing guard funding in FY2019-20
Measure A Strategy 4.3 Safe Pathways to School Project		
5	Town of Tiburon	Large capital project, for Measure A funds received for Greenwood Cove Drive/Blackfield Drive and Tiburon Boulevard Bike/Ped Improvements Project
6	Town of Ross	Small capital projects, for Measure A funds received for SFD Sidewalk Construction

This audit cycle covers Measure A/AA revenue and expenditure activities which occurred in or prior to FY2019-20.

DISCUSSION/ANALYSIS:

Measure A/AA Compliance Audit Process:

The annual Measure A/AA Compliance Audit Workshop was conducted on September 3, 2020. Staff, along with the audit team from Moss, Levy & Hartzheim (MLH) LLP, reviewed the requirements of the Measure A and Measure AA ½-Cent Expenditure Plans, the compliance audit policy adopted, and explained the process and timeline. Representatives from five different fund recipients attended the workshop and provided staff with valuable questions and feedback.

The audit team, along with TAM staff, started the initial pre-audit meetings with the fund recipients selected in September. However, with the significant operational and financial impacts many of the fund recipients are experiencing during this unprecedented time, it took the auditor and staff some extra time to obtain all required information. TAM staff would like to thank the auditor and the staff from all the fund recipients for their extra efforts and patience working with us on the 2020 audit cycle. Staff is very pleased to report that there are no non-compliance findings and observations for this round of the compliance audit with all six fund recipients.

Measure A/AA Compliance Audit Results by Fund Recipient:

The main purpose of the compliance audit is to verify all Measure A/AA Transportation Sales Tax funds were spent according to the requirements of the Measure A and Measure AA ½-Cent Transportation Sales Tax Expenditure Plans/Strategic Plans and the funding agreements/contracts. Results from the audits can also help TAM staff to continue improving the fund programming and allocation process.

Compliance audit results for the six fund recipients selected for this round of auditing are presented below for your review.

Marin Transit, Strategy 1(Measure A)/Category 4(Measure AA) Funds for Local Transit

Measure A/AA Expenditure Audited:

Compliance audit for Marin Transit covers all Measure A/AA expenditures under the Measure A Strategy 1 and Measure AA Category 4 Local Transit allocations, which were spent in FY2019-20.

Measure A/AA Allocation				
Allocation Period	Agreement Number	Strategy/Category	Agreement Date	Available Amount
FY 19/20	A-FY20-02	Measure A Strategy 1	7/1/2019	\$ 6,088,063
FY 19/20	A-FY20-02	Measure AA Category 4	7/1/2019	\$ 12,800,000
Total Measure A/AA Allocation				\$ 18,888,063

Measure A/AA Expenditures			
Project Name	Strategy/Category	Amount	
Local Bus Transit	A S1.1	\$ 1,699,571	
Capital Improvements	A S1.4	\$ 2,932,857	
Bus Transit Services	AA C4.1	\$ 7,007,838	
Rural/Recreational Bus Services	AA C4.2	\$ 900,000	
Transit Services for Special Needs	AA C4.3	\$ 2,137,479	
Transit Services to Schools	AA C4.4	\$ 1,167,047	
Total Measure A/AA Expenditures		\$ 15,844,792	

Result:

The results of the auditor's procedures disclosed no instances of noncompliance with the Measure A/AA Expenditure Plans and the funding agreement between Marin Transit and TAM.

Follow-up Meeting and/or Action:

Not needed.

City of Novato, Strategy 3.1(Measure A) Funds for Novato Boulevard Rehabilitation Project

Measure A Expenditure Audited:

Compliance audit for the City of Novato covers Measure A expenditures under the Strategy 3.1 Major Roads allocation which were spent in FY2010-11 and prior. Please note that the Novato Boulevard Rehabilitation Project has three segments. Segments 2 and 3 of the Project have been completed. The City of Novato is currently in the environmental and design phase of Segment 1 and is expected to complete design by the end of 2021.

Measure A Allocation				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 07/08	#A2007-20	3.1	9/26/2008	\$ 401,085
Total Measure A Allocation				\$ 401,085

Measure A Expenditures				
Project Name	Phase	Measure A Strategy	Date of Completion	Amount
Novato Blvd. Pavement Rehab Segment 1	n/a	3.1	N/A	\$ 342,517
Total Measure A Expenditure				\$ 342,517

Result:

The results of the auditor's procedures disclosed no instances of noncompliance with the Measure A Expenditure Plan and the funding agreement between the City of Novato and TAM.

Follow-up Meeting and/or Action:

Not needed

County of Marin, Strategy 3.2 (Measure A)/Category 2.1 (Measure AA) Funds for Local Streets and Roads

Measure A/AA Expenditure Audited:

Compliance audit for the County of Marin covers Measure A/AA expenditures under the Measure A Strategy 3.2 and Measure AA Category 2.1 Local Streets and Roads allocation, which were spent in FY2019-20.

Measure A/AA Allocation				
Allocation Period	Agreement Number	Strategy/Category	Agreement Date	Available Amount
FY 19/20	#A-FY20-17	3.2	7/1/2019	\$ 822,947
FY 19/20	#A-FY20-17	2.1	7/1/2019	\$ 454,465
Total Measure A/AA Allocation				\$ 1,277,412
Measure A/AA Expenditures				
Project Name	Phase	Strategy/Category	Date of Completion	Amount
2019 Road Rehab Project - Southern Region	n/a	3.2/2.1	10/12/2020	\$ 1,277,412
Total Measure A/AA Expenditures				\$ 1,277,412

Result:

The results of the auditor's procedures disclosed no instances of noncompliance with the Measure A/AA Expenditure Plans and the funding agreement between the County of Marin and TAM.

Follow-up Meeting and/or Action:

Not needed.

All City Management Services, Inc., Strategy 4.2 (Measure A)/Category 3.2 (Measure AA) Funds for Crossing Guard Service

Measure A/AA Expenditure Audited:

Compliance audit for All City Management Services Inc. covers FY2019-20 Measure A/AA expenditures under the current contract.

Measure A/AA Allocation				
Allocation Period	Contract Number	Strategy/Category	Contract Date	Available Amount
FY 19/20	C-FY19-03	A 4.2/AA 3.2	7/31/2018	\$ 2,260,000
Total Contract Amount				\$ 2,260,000
Measure A/AA Expenditures				
Project Name	Strategy/Category		Amount	
Crossing Guard Services	A 4.2/AA 3.2		\$ 1,028,725	
Total Measure A/AA Expenditures				\$ 1,028,725

Result:

The results of the auditor's procedures disclosed no instances of noncompliance with the Measure A/AA Expenditure Plans and the professional contract between All City Management Services Inc. and TAM.

Follow-up Meeting and/or Action:
Not needed.

Town of Tiburon, Strategy 4.3 Funds for Safe Pathways to School - Big Capital Project: Greenwood Cove Drive/Blackfield Drive and Tiburon Boulevard Bike/Ped Improvements Projects

Measure A Expenditure Audited:

Compliance audit for Town of Tiburon covers Measure A expenditures under the Strategy 4.3 Safe Pathways to School allocation, which were fully spent in FY2017-18.

Measure A Allocation				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 14/15	#2015-011	4.3	3/26/2015	\$ 116,000
Total Measure A Allocation				\$ 116,000
Measure A Expenditures				
Project Name	Phase	Measure A Strategy	Completion Date	Amount
Safe Pathways to School Projects	n/a	4.3	Various	\$ 115,919
Total Measure A Expenditure				\$ 115,919

Result:

The results of the auditor's procedures disclosed no instances of noncompliance with the Measure A Expenditure Plan and the funding agreement between the Town of Tiburon and TAM.

Follow-up Meeting and/or Action:
Not needed.

Town of Ross, Strategy 4.3 Funds for Safe Pathways to School - Small Capital Project: Sir Francis Drake Boulevard Sidewalk Construction Project

Measure A Expenditure Audited:

Compliance audit for Town of Ross covers Measure A expenditures under the Strategy 4.3 Safe Pathways to School allocation, which were fully spent in FY2016-17.

Measure A Allocation				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 16/17	#2015-007	4.3	1/17/2017	\$ 25,000
Total Measure A Allocation				\$ 25,000
Measure A Expenditures				
Project Name	Phase	Measure A Strategy	Completion Date	Amount
Safe Pathways to School Projects	n/a	4.3	6/15/2017	\$ 25,000
Total Measure A Expenditure				\$ 25,000

Result:

The results of the auditor's procedures disclosed no instances of noncompliance with the Measure A Expenditure Plan and the funding agreement between the Town of Ross and TAM.

Follow-up Meeting and/or Action:

Not needed.

FISCAL CONSIDERATION:

The Measure A/AA compliance audit was conducted within budget and on schedule.

NEXT STEPS:

The next Measure A/Measure AA compliance audit cycle will start in June 2021.

ATTACHMENTS:

- Attachment 1 Measure A/AA Compliance Audit Report – Marin Transit
- Attachment 2 Measure A/AA Compliance Audit Report – City of Novato
- Attachment 3 Measure A/AA Compliance Audit Report – County of Marin
- Attachment 4 Measure A/AA Compliance Audit Report – All City Management Services Inc.
- Attachment 5 Measure A/AA Compliance Audit Report – Town of Tiburon
- Attachment 6 Measure A/AA Compliance Audit Report – Town of Ross
- Attachment 7 Staff and Auditor Presentation

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Transportation Authority of Marin
 900 Fifth Avenue, Suite 100
 San Rafael, California

Compliance

We have audited Marin Transit's (Agency) compliance with the types of compliance requirements described in the Measure A/AA Expenditure Plans and the respective funding agreement with the Transportation Authority of Marin (Authority), for the fiscal year ended June 30, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Management of Marin Transit is responsible for compliance with the Measure A/AA Expenditure Plans and requirements of its funding agreement with the Authority. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

Our audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above for funding allocated during the fiscal years end June 30, 2020 and for expenditures during the fiscal year ended June 30, 2020.

Internal Control over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Measure A/AA funded programs. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We noted no deficiencies that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no deficiencies that we consider to be significant deficiencies.

Item 10 - Attachment 1

This report is intended solely for the information of the Board of Commissioners, Citizens' Oversight Committee, Management of the Authority, and Management of the Agency, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
December 10, 2020

MARIN TRANSIT
Measure A/AA Compliance Report
Notes to the Compliance Report
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Marin Transit (Agency) is an agency formed by vote by the people of Marin County that provides local transit services within Marin County.

Basis of Accounting

The Agency utilizes the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

NOTE 2 MEASURE A/AA SALES TAX

The Measure A/AA sales tax is a ½-cent sales tax originally approved as Measure A in 2004 and then renewed as Measure AA in 2018 by the voters of Marin. Together, it is expected to provide more than \$1.2 billion in reliable local transportation dollars as a step in implementing the “transportation vision” set forth by the County of Marin and the Authority, as a plan to alleviate traffic congestion, reinvent the public transportation system, provide addition pedestrian and bike pathways, provide safer routes to school, and many other additional transit related goals. Various community and advocacy groups in each part of the County, representing the many diverse interests in Marin, provided input that result in a draft expenditure plan for both Measure A and Measure AA. The draft plans were presented to each of Marin’s City/Town Councils and to numerous stakeholder groups for review and input. Comments received prompted refinements reflected in the Final Measure A/AA Transportation Sales Tax Expenditure Plans (Plans).

The original Marin County Transportation Sales Tax Expenditure Plan (Measure A) was approved in November 2004 and subsequently, the renewed Marin County Transportation Sales Tax Expenditure Plan was approved by 76.7% of Marin voters as Measure AA in November 2018. This renewed the current ½-cent transportation sales tax for another 20 years, until 2039.

The Plan is administered by the Authority. Its 16-member Board of Commissioners consists of the five Board of Supervisors and a council member of each incorporated City/Town. The Authority is accountable to a 12-member Citizens’ Oversight Committee (Committee), created with the assistance of the League of Women Voters. The Committee reviews all expenditures and reports annually and reports to the public in its annual report.

NOTE 3 REVENUE RECOGNITION

The Agency operates on the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The Authority operates on the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. Due to the various economic focuses and accrual bases used, there will be certain differences between revenue accrued by the Agency and amounts accrued as expenditures by the Authority.

**MARIN TRANSIT
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020**

1. Obtained original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the audit period or for the period during which funding was utilized for an approved project.
2. Reviewed Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the audit period or for the projects being audited.
3. Interviewed finance staff regarding internal controls in the following areas, specific to, but not limited to, accounting for Measure A/AA funding, to obtain an understanding of the entity's operations:
 - a. Cash Disbursements – Reviewed policies and procedures regarding approval, defacements, accounts payable check processing, and other matters related to the disbursement of funds.
 - b. Cash Receipts – Reviewed policies and procedures regarding cash handling of over-the-counter receipts and cash receipts received through the mail, bank deposits, bank reconciliations, and other matters related to the receipt of funds.
4. Obtained all invoices submitted to the Authority for reimbursements, if applicable.
5. Obtained supporting documentation for all invoices submitted to the Authority for reimbursements, including construction, personnel, project management, consultants, and other related costs.
6. Obtained general ledger detail for revenue and expenditures charged to the Measure A/AA funding source or equivalent reports where income and expenses associated with Measure A/AA funds can be clearly identified.
7. Reviewed remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
8. For reimbursement-based agreements/contracts, we reviewed all invoices submitted to the Authority to ensure that the costs being billed on the invoices reconcile with the ones being charged to the specific Measure A/AA cost center in the entity's financial accounting system.
9. For reimbursement-based agreements/contracts, expenditures charged to the specific cost center or fund code designated for Measure A/AA funding were selected on a random basis and tested for the following attributes:
 - a. Approval – Reviewed invoices and supporting documentation to ensure that the proper review and approval process occurred and was documented on the invoice.
 - b. Invoice – Reviewed invoices and supporting documentation to ensure that they were mathematically accurate, properly addressed to the auditee, and had sufficient detail to justify the amounts being charged and the cost center or fund code to which it was charged to.
 - c. Coding – Reviewed invoices and supporting documentation to ensure that they had been correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
 - d. Allowable – Reviewed invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A/AA funding were allowable costs based on the Measure A/AA Expenditure Plans, the entity's funding agreement with the Authority, and specific requirements of the Strategy/Category for which the funds were restricted for. Also reviewed expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

MARIN TRANSIT
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

10. For entities receiving funding in advance for Measure A Strategy 3 and/or Measure AA Category 2 under a funding agreement, we reviewed, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A/AA were reasonable for the project. In addition, expenditures were also tested in the same fashion as outlined in Step 9 of this list.
11. For entities where capital construction projects were funded utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we obtained the necessary project files and reviewed them for the following requirements:
 - a. Procurement Process – Reviewed procurement process of the project to ensure that the project was properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective Request For Proposal (RFP) submittals were followed, we determined whether the process was adequate in regards to the project. Reviewed any other evidence of procurement when appropriate, such as fax logs or mailing lists.
 - b. Bids and Proposals – Reviewed bids and proposals received to ensure that sufficient bids were received in regards to the project.
 - c. Bid Award – Reviewed County Board of Supervisor and/or City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project was properly approved and documented in a public forum. Also, we reviewed bidding results to ensure that the lowest bid was selected, and if the lowest bid was not selected, that there was sufficient documentation for any other selection process utilized.
12. For entities where professional service contracts were paid utilizing Measure A/AA funding, with regards to construction projects or other purposes, we reviewed the policies and procedures of the entity in question to ensure that internal policies and procedures were followed in regards to the selection of professional service firms.
13. For entities where capital construction projects were paid utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we reviewed any applicable environmental review requirements and reviewed documentation to verify that all reports and reviews were performed prior to the start of any construction.
14. For entities where personnel costs were charged to Measure A/AA funding, we selected a representative sample of charges for personnel costs and tested for the following:
 - a. Recalculation – Reviewed and reconciled wage rates from personnel costs charged to Measure A/AA cost center or fund code to the entity’s payroll registers to ensure that wage rates being charged were accurate and properly approved; reviewed all benefits and fringe costs being allocated in addition to wage rates to ensure that they were accurate and appropriate; recalculated personnel costs utilizing wage rates and hours being charged to ensure that the amounts were mathematically accurate; review the calculation to ensure no indirect costs were included in the reimbursement request.
 - b. Timesheet – Reviewed timesheets for selected personnel costs to ensure that hours being charged to Measure A/AA are properly supported with an approved timesheet. All charges to Measure A/AA funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. We also reviewed timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor were present. Electronic time documentation methods must also have similar electronic signatures.
15. Obtained close-out reports, from completed capital construction projects, submitted to the Authority.
16. Reviewed close-out reports to ensure that they were submitted within 90 days and were properly certified in accordance with the entity’s funding agreement/contract with the Authority.

MARIN TRANSIT
Measure A/AA Compliance Report
Attachment B - Findings and Observations
June 30, 2020

None Noted

MARIN TRANSIT
Measure A/AA Compliance Report
Attachment C – Schedule of Funding Allocations and Expenditures
June 30, 2020

<i>Measure A/AA Allocation</i>				
Allocation Period	Agreement Number	Strategy/Category	Agreement Date	Available Amount
FY 19/20	A-FY20-02	Measure A Strategy 1	7/1/2019	\$ 6,088,063
FY 19/20	A-FY20-02	Measure AA Category 4	7/1/2019	\$ 12,800,000
Total Measure A/AA Allocation				\$ 18,888,063
<i>Measure A/AA Expenditures</i>				
Project Name		Strategy/Category	Amount	
Local Bus Transit		A S1.1	\$	1,699,571
Capital Improvements		A S1.4	\$	2,932,857
Bus Transit Services		AA C4.1	\$	7,007,838
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Transit Services to Schools		AA C4.4	\$	1,167,047
Total Measure A/AA Expenditures			\$	15,844,792

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE

Transportation Authority of Marin
900 Fifth Ave #100
San Rafael, California

Compliance

We have audited the City of Novato’s (City) compliance with the types of compliance requirements described in the Measure A/AA Expenditure Plans and the respective funding agreement with the Transportation Authority of Marin (Authority), for the fiscal year ended June 30, 2008 through June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Management of the City of Novato is responsible for compliance with the Measure A/AA Expenditure Plans and requirements of its funding agreement with the Authority. Our responsibility is to express an opinion on the City’s compliance based on our audit.

Our audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the City's compliance with those requirements.

In our opinion, the City complied with the compliance requirements referred to above for funding allocated for Strategy 3.1 completed during the fiscal years ended June 30, 2008 through June 30, 2011.

Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Measure A/AA funded programs. In planning and performing our audit, we considered the City’s internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We noted no deficiencies that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no deficiencies that we considered to be significant deficiencies.

Item 10 - Attachment 2

This report is intended solely for the information of the Board of Commissioners, City Council, Citizens' Oversight Committee, Management of the Authority, and Management of the City, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
January 7, 2021

CITY OF NOVATO
Measure A/AA Compliance Report
Notes to the Compliance Report
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Novato (City) is an incorporated City that receives funding under the Measure A/AA Expenditure Plans as a member of the County of Marin.

Basis of Accounting

The City utilizes the economic resources measurement focus basis of account, whereby revenues are recognized when measurable and available. The City considers all revenues reported to be available if the revenues are collected within sixty days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. Capital assets acquisitions are reported as expenditures in the governmental funds.

NOTE 2 MEASURE A/AA SALES TAX

The Measure A/AA sales tax is a ½-cent sales tax originally approved as Measure A in 2004 and then renewed as Measure AA in 2018 by the voters of Marin. Together, it is expected to provide more than \$1.2 billion in reliable local transportation dollars as a step in implementing the “transportation vision” set forth by the County of Marin and the Authority, as a plan to alleviate traffic congestion, reinvent the public transportation system, provide addition pedestrian and bike pathways, provide safer routes to school, and many other additional transit related goals. Various community and advocacy groups in each part of the County, representing the many diverse interests in Marin, provided input that result in a draft expenditure plan for both Measure A and Measure AA. The draft plans were presented to each of Marin’s City/Town Councils and to numerous stakeholder groups for review and input. Comments received prompted refinements reflected in the Final Measure A/AA Transportation Sales Tax Expenditure Plans (Plans).

The original Marin County Transportation Sales Tax Expenditure Plan (Measure A) was approved in November 2004 and subsequently, the renewed Marin County Transportation Sales Tax Expenditure Plan was approved by 76.7% of Marin voters as Measure AA in November 2018. This renewed the current ½-cent transportation sales tax for another 20 years, until 2039.

The Plan is administered by the Authority. Its 16-member Board of Commissioners consists of the five Board of Supervisors and a council member of each incorporated City/Town. The Authority is accountable to a 12-member Citizens’ Oversight Committee (Committee), created with the assistance of the League of Women Voters. The Committee reviews all expenditures and reports annually and reports to the public in its annual report.

**CITY OF NOVATO
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020**

1. Obtained original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the audit period or for the period during which funding was utilized for an approved project.
2. Reviewed Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the audit period or for the projects being audited.
3. Interviewed finance staff regarding internal controls in the following areas, specific to, but not limited to, accounting for Measure A/AA funding, to obtain an understanding of the entity's operations:
 - a. Cash Disbursements – Reviewed policies and procedures regarding approval, defacements, accounts payable check processing, and other matters related to the disbursement of funds.
 - b. Cash Receipts – Reviewed policies and procedures regarding cash handling of over-the-counter receipts and cash receipts received through the mail, bank deposits, bank reconciliations, and other matters related to the receipt of funds.
4. Obtained all invoices submitted to the Authority for reimbursements, if applicable.
5. Obtained supporting documentation for all invoices submitted to the Authority for reimbursements, including construction, personnel, project management, consultants, and other related costs.
6. Obtained general ledger detail for revenue and expenditures charged to the Measure A/AA funding source or equivalent reports where income and expenses associated with Measure A/AA funds can be clearly identified.
7. Reviewed remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
8. For reimbursement-based agreements/contracts, we reviewed all invoices submitted to the Authority to ensure that the costs being billed on the invoices reconcile with the ones being charged to the specific Measure A/AA cost center in the entity's financial accounting system.
9. For reimbursement-based agreements/contracts, expenditures charged to the specific cost center or fund code designated for Measure A/AA funding were selected on a random basis and tested for the following attributes:
 - a. Approval – Reviewed invoices and supporting documentation to ensure that the proper review and approval process occurred and was documented on the invoice.
 - b. Invoice – Reviewed invoices and supporting documentation to ensure that they were mathematically accurate, properly addressed to the auditee and had sufficient detail to justify the amounts being charged and the cost center or fund code to which it was charged to.
 - c. Coding – Reviewed invoices and supporting documentation to ensure that they had been correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
 - d. Allowable – Reviewed invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A/AA funding were allowable costs based on the Measure A/AA Expenditure Plans, the entity's funding agreement with the Authority, and specific requirements of the Strategy/Category for which the funds were restricted for. Also reviewed expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

**CITY OF NOVATO
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020**

10. For entities receiving funding in advance for Measure A Strategy 3 and/or Measure AA Category 2 under a funding agreement, we reviewed, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A/AA were reasonable for the project. In addition, expenditures were also tested in the same fashion as outlined in Step 9 of this list.
11. For entities where capital construction projects were funded utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we obtained the necessary project files and reviewed them for the following requirements:
 - a. Procurement Process – Reviewed procurement process of the project to ensure that the project was properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective Request For Proposal (RFP) submittals were followed, we determined whether the process was adequate in regards to the project. Reviewed any other evidence of procurement when appropriate, such as fax logs or mailing lists.
 - b. Bids and Proposals – Reviewed bids and proposals received to ensure that sufficient bids were received in regards to the project.
 - c. Bid Award – Reviewed County Board of Supervisor and/or City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project was properly approved and documented in a public forum. Also, we reviewed bidding results to ensure that the lowest bid was selected, and if the lowest bid was not selected, that there was sufficient documentation for any other selection process utilized.
12. For entities where professional service contracts were paid utilizing Measure A/AA funding, with regards to construction projects or other purposes, we reviewed the policies and procedures of the entity in question to ensure that internal policies and procedures were followed in regards to the selection of professional service firms.
13. For entities where capital construction projects were paid utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we reviewed any applicable environmental review requirements and reviewed documentation to verify that all reports and reviews were performed prior to the start of any construction.
14. For entities where personnel costs were charged to Measure A/AA funding, we selected a representative sample of charges for personnel costs and tested for the following:
 - d. Recalculation – Reviewed and reconciled wage rates from personnel costs charged to Measure A/AA cost center or fund code to the entity’s payroll registers to ensure that wage rates being charged were accurate and properly approved; reviewed all benefits and fringe costs being allocated in addition to wage rates to ensure that they were accurate and appropriate; recalculated personnel costs utilizing wage rates and hours being charged to ensure that the amounts were mathematically accurate; review the calculation to ensure no indirect costs were included in the reimbursement request.
 - e. Timesheet – Reviewed timesheets for selected personnel costs to ensure that hours being charged to Measure A/AA are properly supported with an approved timesheet. All charges to Measure A/AA funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. We also reviewed timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor were present. Electronic time documentation methods must also have similar electronic signatures.
15. Obtained close-out reports, from completed capital construction projects, submitted to the Authority.
16. Reviewed close-out reports to ensure that they were submitted within 90 days and were properly certified in accordance with the entity’s funding agreement/contract with the Authority.

CITY OF NOVATO
Measure A/AA Compliance Report
Attachment B - Findings and Observations
June 30, 2020

None Noted

CITY OF NOVATO
Measure A/AA Compliance Report
Attachment C – Schedule of Funding Allocations and Expenditures
June 30, 2020

<i>Measure A Allocation</i>				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 07/08	#A2007-20	3.1	9/26/2008	\$ 401,085
Total Measure A Allocation				\$ 401,085
<i>Measure A Expenditures</i>				
Project Name	Phase	Measure A Strategy	Date of Completion	Amount
Novato Blvd. Pavement Rehab Segment 1	n/a	3.1	N/A	\$ 342,517
Total Measure A Expenditure				\$ 342,517

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MOSS, LEVY & HARTZHEIM LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Transportation Authority of Marin
 900 Fifth Ave #100
 San Rafael, California

Compliance

We have audited the County of Marin's (County) compliance with the types of compliance requirements described in the Measure A/AA Expenditure Plans and the respective funding agreement with the Transportation Authority of Marin (Authority), for the fiscal year ended June 30, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Management of the County of Marin is responsible for compliance with the Measure A/AA Expenditure Plans and requirements of its funding agreement with the Authority. Our responsibility is to express an opinion on the County's compliance based on our audit.

Our audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the County's compliance with those requirements.

In our opinion, the County complied with the compliance requirements referred to above for funding allocated for Measure A Strategy 3.2 and Measure AA Category 2.1 completed during the fiscal years ended June 30, 2020.

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Measure A/AA funded programs. In planning and performing our audit, we considered the County's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We noted no deficiencies that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no deficiencies that we considered to be significant deficiencies.

Item 10 - Attachment 3

This report is intended solely for the information of the Board of Commissioners, County Council, Citizens' Oversight Committee, Management of the Authority, and Management of the County, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
January 7, 2021

COUNTY OF MARIN
Measure A/AA Compliance Report
Notes to the Compliance Report
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The County of Marin (County) is an incorporated County that receives funding under the Measure A/AA Expenditure Plans.

Basis of Accounting

The County utilizes the economic resources measurement focus basis of account, whereby revenues are recognized when measurable and available. The County considers all revenues reported to be available if the revenues are collected within sixty days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. Capital assets acquisitions are reported as expenditures in the governmental funds.

NOTE 2 MEASURE A/AA SALES TAX

The Measure A/AA sales tax is a ½-cent sales tax originally approved as Measure A in 2004 and then renewed as Measure AA in 2018 by the voters of Marin. Together, it is expected to provide more than \$1.2 billion in reliable local transportation dollars as a step in implementing the “transportation vision” set forth by the County of Marin and the Authority, as a plan to alleviate traffic congestion, reinvent the public transportation system, provide addition pedestrian and bike pathways, provide safer routes to school, and many other additional transit related goals. Various community and advocacy groups in each part of the County, representing the many diverse interests in Marin, provided input that result in a draft expenditure plan for both Measure A and Measure AA. The draft plans were presented to each of Marin’s City/Town Councils and to numerous stakeholder groups for review and input. Comments received prompted refinements reflected in the Final Measure A/AA Transportation Sales Tax Expenditure Plans (Plans).

The original Marin County Transportation Sales Tax Expenditure Plan (Measure A) was approved in November 2004 and subsequently, the renewed Marin County Transportation Sales Tax Expenditure Plan was approved by 76.7% of Marin voters as Measure AA in November 2018. This renewed the current ½-cent transportation sales tax for another 20 years, until 2039.

The Plan is administered by the Authority. Its 16-member Board of Commissioners consists of the five Board of Supervisors and a council member of each incorporated City/Town. The Authority is accountable to a 12-member Citizens’ Oversight Committee (Committee), created with the assistance of the League of Women Voters. The Committee reviews all expenditures and reports annually and reports to the public in its annual report.

COUNTY OF MARIN
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

1. Obtained original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the audit period or for the period during which funding was utilized for an approved project.
2. Reviewed Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the audit period or for the projects being audited.
3. Interviewed finance staff regarding internal controls in the following areas, specific to, but not limited to, accounting for Measure A/AA funding, to obtain an understanding of the entity's operations:
 - a. Cash Disbursements – Reviewed policies and procedures regarding approval, defacements, accounts payable check processing, and other matters related to the disbursement of funds.
 - b. Cash Receipts – Reviewed policies and procedures regarding cash handling of over-the-counter receipts and cash receipts received through the mail, bank deposits, bank reconciliations, and other matters related to the receipt of funds.
4. Obtained all invoices submitted to the Authority for reimbursements, if applicable.
5. Obtained supporting documentation for all invoices submitted to the Authority for reimbursements, including construction, personnel, project management, consultants, and other related costs.
6. Obtained general ledger detail for revenue and expenditures charged to the Measure A/AA funding source or equivalent reports where income and expenses associated with Measure A/AA funds can be clearly identified.
7. Reviewed remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
8. For reimbursement-based agreements/contracts, we reviewed all invoices submitted to the Authority to ensure that the costs being billed on the invoices reconcile with the ones being charged to the specific Measure A/AA cost center in the entity's financial accounting system.
9. For reimbursement-based agreements/contracts, expenditures charged to the specific cost center or fund code designated for Measure A/AA funding were selected on a random basis and tested for the following attributes:
 - a. Approval – Reviewed invoices and supporting documentation to ensure that the proper review and approval process occurred and was documented on the invoice.
 - b. Invoice – Reviewed invoices and supporting documentation to ensure that they were mathematically accurate, properly addressed to the auditee and had sufficient detail to justify the amounts being charged and the cost center or fund code to which it was charged to.
 - c. Coding – Reviewed invoices and supporting documentation to ensure that they had been correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
 - d. Allowable – Reviewed invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A/AA funding were allowable costs based on the Measure A/AA Expenditure Plans, the entity's funding agreement with the Authority, and specific requirements of the Strategy/Category for which the funds were restricted for. Also reviewed expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

COUNTY OF MARIN
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

10. For entities receiving funding in advance for Measure A Strategy 3 and/or Measure AA Category 2 under a funding agreement, we reviewed, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A/AA were reasonable for the project. In addition, expenditures were also tested in the same fashion as outlined in Step 9 of this list.
11. For entities where capital construction projects were funded utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we obtained the necessary project files and reviewed them for the following requirements:
 - a. Procurement Process – Reviewed procurement process of the project to ensure that the project was properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective Request For Proposal (RFP) submittals were followed, we determined whether the process was adequate in regards to the project. Reviewed any other evidence of procurement when appropriate, such as fax logs or mailing lists.
 - b. Bids and Proposals – Reviewed bids and proposals received to ensure that sufficient bids were received in regards to the project.
 - c. Bid Award – Reviewed County Board of Supervisor and/or City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project was properly approved and documented in a public forum. Also, we reviewed bidding results to ensure that the lowest bid was selected, and if the lowest bid was not selected, that there was sufficient documentation for any other selection process utilized.
12. For entities where professional service contracts were paid utilizing Measure A/AA funding, with regards to construction projects or other purposes, we reviewed the policies and procedures of the entity in question to ensure that internal policies and procedures were followed in regards to the selection of professional service firms.
13. For entities where capital construction projects were paid utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we reviewed any applicable environmental review requirements and reviewed documentation to verify that all reports and reviews were performed prior to the start of any construction.
14. For entities where personnel costs were charged to Measure A/AA funding, we selected a representative sample of charges for personnel costs and tested for the following:
 - d. Recalculation – Reviewed and reconciled wage rates from personnel costs charged to Measure A/AA cost center or fund code to the entity’s payroll registers to ensure that wage rates being charged were accurate and properly approved; reviewed all benefits and fringe costs being allocated in addition to wage rates to ensure that they were accurate and appropriate; recalculated personnel costs utilizing wage rates and hours being charged to ensure that the amounts were mathematically accurate; review the calculation to ensure no indirect costs were included in the reimbursement request.
 - e. Timesheet – Reviewed timesheets for selected personnel costs to ensure that hours being charged to Measure A/AA are properly supported with an approved timesheet. All charges to Measure A/AA funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. We also reviewed timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor were present. Electronic time documentation methods must also have similar electronic signatures.
15. Obtained close-out reports, from completed capital construction projects, submitted to the Authority.
16. Reviewed close-out reports to ensure that they were submitted within 90 days and were properly certified in accordance with the entity’s funding agreement/contract with the Authority.

COUNTY OF MARIN
Measure A/AA Compliance Report
Attachment B - Findings and Observations
June 30, 2020

None Noted

COUNTY OF MARIN
 Measure A/AA Compliance Report
 Attachment C – Schedule of Funding Allocations and Expenditures
 June 30, 2020

<i>Measure A/AA Allocation</i>				
Allocation Period	Agreement Number	Strategy/Category	Agreement Date	Available Amount
FY 19/20	#A-FY20-17	3.2	7/1/2019	\$ 822,947
FY 19/20	#A-FY20-17	2.1	7/1/2019	\$ 454,465
Total Measure A/AA Allocation				\$ 1,277,412
<i>Measure A/AA Expenditures</i>				
Project Name	Phase	Strategy/Category	Date of Completion	Amount
2019 Road Rehab Project - Southern Region	n/a	3.2/2.1	10/12/2020	\$ 1,277,412
Total Measure A/AA Expenditures				\$ 1,277,412

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

 Transportation Authority of Marin
 900 Fifth Avenue, Suite 100
 San Rafael, California

Compliance

We have audited All City Management Services, Inc.'s (Corporation) compliance with the types of compliance requirements described in the Measure A/AA Expenditure Plans and the respective funding contract with the Transportation Authority of Marin (Authority), for the fiscal year ended June 30, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Management of the Corporation is responsible for compliance with the Measure A/AA Expenditure Plans and requirements of its funding contract with the Authority. Our responsibility is to express an opinion on the Corporation's compliance based on our audit.

Our audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the Corporation's compliance with those requirements.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above for funding allocated and expenditures during the fiscal year ended June 30, 2020.

Internal Control over Compliance

The management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Measure A/AA funded programs. In planning and performing our audit, we considered the Corporation's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We noted no deficiencies that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no deficiencies that we consider to be significant deficiencies.

This report is intended solely for the information of the Board of Commissioners, Citizens' Oversight Committee, Management of the Authority, and Management of the Corporation, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
December 27, 2020

ALL CITY MANAGEMENT SERVICES, INC.
Measure A/AA Compliance Report
Notes to the Compliance Report
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

All City Management Services, Inc. (Corporation) is a corporation based in Los Angeles, California that provides various services including crossing guards, security guards, and armed security.

Basis of Accounting

The Corporation utilizes the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

NOTE 2 MEASURE A/AA SALES TAX

The Measure A/AA sales tax is a ½-cent sales tax originally approved as Measure A in 2004 and then renewed as Measure AA in 2018 by the voters of Marin. Together, it is expected to provide more than \$1.2 billion in reliable local transportation dollars as a step in implementing the “transportation vision” set forth by the County of Marin and the Authority, as a plan to alleviate traffic congestion, reinvent the public transportation system, provide addition pedestrian and bike pathways, provide safer routes to school, and many other additional transit related goals. Various community and advocacy groups in each part of the County, representing the many diverse interests in Marin, provided input that result in a draft expenditure plan for both Measure A and Measure AA. The draft plans were presented to each of Marin’s City/Town Councils and to numerous stakeholder groups for review and input. Comments received prompted refinements reflected in the Final Measure A/AA Transportation Sales Tax Expenditure Plans (Plans).

The original Marin County Transportation Sales Tax Expenditure Plan (Measure A) was approved in November 2004 and subsequently, the renewed Marin County Transportation Sales Tax Expenditure Plan was approved by 76.7% of Marin voters as Measure AA in November 2018. This renewed the current ½-cent transportation sales tax for another 20 years, until 2039.

The Plan is administered by the Authority. Its 16-member Board of Commissioners consists of the five Board of Supervisors and a council member of each incorporated City/Town. The Authority is accountable to a 12-member Citizens’ Oversight Committee (Committee), created with the assistance of the League of Women Voters. The Committee reviews all expenditures and reports annually and reports to the public in its annual report.

ALL CITY MANAGEMENT SERVICES, INC.

Measure A/AA Compliance Report

Attachment A – Procedures Performed

June 30, 2020

1. Obtained original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the audit period or for the period during which funding was utilized for an approved project.
2. Reviewed Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the audit period or for the projects being audited.
3. Interviewed finance staff regarding internal controls in the following areas, specific to, but not limited to, accounting for Measure A/AA funding, to obtain an understanding of the entity's operations:
 - a. Cash Disbursements – Reviewed policies and procedures regarding approval, defacements, accounts payable check processing, and other matters related to the disbursement of funds.
 - b. Cash Receipts – Reviewed policies and procedures regarding cash handling of over-the-counter receipts and cash receipts received through the mail, bank deposits, bank reconciliations, and other matters related to the receipt of funds.
4. Obtained all invoices submitted to the Authority for reimbursements, if applicable.
5. Obtained supporting documentation for all invoices submitted to the Authority for reimbursements, including construction, personnel, project management, consultants, and other related costs.
6. Obtained general ledger detail for revenue and expenditures charged to the Measure A/AA funding source or equivalent reports where income and expenses associated with Measure A/AA funds can be clearly identified.
7. Reviewed remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
8. For reimbursement-based agreements/contracts, we reviewed all invoices submitted to the Authority to ensure that the costs being billed on the invoices reconcile with the ones being charged to the specific Measure A/AA cost center in the entity's financial accounting system.
9. For reimbursement-based agreements/contracts, expenditures charged to the specific cost center or fund code designated for Measure A/AA funding were selected on a random basis and tested for the following attributes:
 - a. Approval – Reviewed invoices and supporting documentation to ensure that the proper review and approval process occurred and was documented on the invoice.
 - b. Invoice – Reviewed invoices and supporting documentation to ensure that they were mathematically accurate, properly addressed to the auditee and had sufficient detail to justify the amounts being charged and the cost center or fund code to which it was charged to.
 - c. Coding – Reviewed invoices and supporting documentation to ensure that they had been correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
 - d. Allowable – Reviewed invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A/AA funding were allowable costs based on the Measure A/AA Expenditure Plans, the entity's funding agreement with the Authority, and specific requirements of the Strategy/Category for which the funds were restricted for. Also reviewed expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

ALL CITY MANAGEMENT SERVICES, INC.

Measure A/AA Compliance Report

Attachment A – Procedures Performed

June 30, 2020

10. For entities receiving funding in advance for Measure A Strategy 3 and/or Measure AA Category 2 under a funding agreement, we reviewed, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A/AA were reasonable for the project. In addition, expenditures were also tested in the same fashion as outlined in Step 9 of this list.
11. For entities where capital construction projects were funded utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we obtained the necessary project files and reviewed them for the following requirements:
 - a. Procurement Process – Reviewed procurement process of the project to ensure that the project was properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective Request For Proposal (RFP) submittals were followed, we determined whether the process was adequate in regards to the project. Reviewed any other evidence of procurement when appropriate, such as fax logs or mailing lists.
 - b. Bids and Proposals – Reviewed bids and proposals received to ensure that sufficient bids were received in regards to the project.
 - c. Bid Award – Reviewed County Board of Supervisor and/or City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project was properly approved and documented in a public forum. Also, we reviewed bidding results to ensure that the lowest bid was selected, and if the lowest bid was not selected, that there was sufficient documentation for any other selection process utilized.
12. For entities where professional service contracts were paid utilizing Measure A/AA funding, with regards to construction projects or other purposes, we reviewed the policies and procedures of the entity in question to ensure that internal policies and procedures were followed in regards to the selection of professional service firms.
13. For entities where capital construction projects were paid utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we reviewed any applicable environmental review requirements and reviewed documentation to verify that all reports and reviews were performed prior to the start of any construction.
14. For entities where personnel costs were charged to Measure A/AA funding, we selected a representative sample of charges for personnel costs and tested for the following:
 - d. Recalculation – Reviewed and reconciled wage rates from personnel costs charged to Measure A/AA cost center or fund code to the entity’s payroll registers to ensure that wage rates being charged were accurate and properly approved; reviewed all benefits and fringe costs being allocated in addition to wage rates to ensure that they were accurate and appropriate; recalculated personnel costs utilizing wage rates and hours being charged to ensure that the amounts were mathematically accurate; review the calculation to ensure no indirect costs were included in the reimbursement request.
 - e. Timesheet – Reviewed timesheets for selected personnel costs to ensure that hours being charged to Measure A/AA are properly supported with an approved timesheet. All charges to Measure A/AA funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. We also reviewed timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor were present. Electronic time documentation methods must also have similar electronic signatures.
15. Obtained close-out reports, from completed capital construction projects, submitted to the Authority.
16. Reviewed close-out reports to ensure that they were submitted within 90 days and were properly certified in accordance with the entity’s funding agreement/contract with the Authority.

ALL CITY MANAGEMENT SERVICES, INC.
Measure A/AA Compliance Report
Attachment B - Findings and Observations
June 30, 2020

None Noted

ALL CITY MANAGEMENT SERVICES, INC.
 Measure A/AA Compliance Report
 Attachment C – Schedule of Funding Allocations and Expenditures
 June 30, 2020

<i>Measure A/AA Allocation</i>				
<u>Allocation Period</u>	<u>Contract Number</u>	<u>Strategy/Category</u>	<u>Contract Date</u>	<u>Available Amount</u>
FY 19/20	C-FY19-03	A 4.2/AA 3.2	7/31/2018	\$ 2,260,000
Total Contract Amount				\$ 2,260,000
<i>Measure A/AA Expenditures</i>				
<u>Project Name</u>	<u>Strategy/Category</u>		<u>Amount</u>	
Crossing Guard Services	A 4.2/AA 3.2		\$ 1,028,725	
Total Measure A/AA Expenditures				\$ 1,028,725

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Transportation Authority of Marin
900 Fifth Ave #100
San Rafael, California

Compliance

We have audited the Town of Tiburon's (Town) compliance with the types of compliance requirements described in the Measure A/AA Expenditure Plans and the respective funding agreement with the Transportation Authority of Marin (Authority), for the fiscal year ended June 30, 2016 through June 30, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Management of the Town of Tiburon is responsible for compliance with the Measure A/AA Expenditure Plans and requirements of its funding agreement with the Authority. Our responsibility is to express an opinion on the Town's compliance based on our audit.

Our audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied with the compliance requirements referred to above for funding allocated for the Safe Pathways to School Projects completed during the fiscal years ended June 30, 2016 through June 30, 2018.

Internal Control over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Measure A/AA funded programs. In planning and performing our audit, we considered the Town's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We noted no deficiencies that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no deficiencies that we considered to be significant deficiencies.

This report is intended solely for the information of the Board of Commissioners, Town Council, Citizens' Oversight Committee, Management of the Authority, and Management of the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
December 7, 2020

TOWN OF TIBURON
Measure A/AA Compliance Report
Notes to the Compliance Report
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Tiburon (Town) is an incorporated Town that receives funding under the Measure A/AA Expenditure Plans as a member of the County of Marin.

Basis of Accounting

The Town utilizes the economic resources measurement focus basis of account, whereby revenues are recognized when measurable and available. The Town considers all revenues reported to be available if the revenues are collected within sixty days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. Capital assets acquisitions are reported as expenditures in the governmental funds.

NOTE 2 MEASURE A/AA SALES TAX

The Measure A/AA sales tax is a ½-cent sales tax originally approved as Measure A in 2004 and then renewed as Measure AA in 2018 by the voters of Marin. Together, it is expected to provide more than \$1.2 billion in reliable local transportation dollars as a step in implementing the “transportation vision” set forth by the County of Marin and the Authority, as a plan to alleviate traffic congestion, reinvent the public transportation system, provide addition pedestrian and bike pathways, provide safer routes to school, and many other additional transit related goals. Various community and advocacy groups in each part of the County, representing the many diverse interests in Marin, provided input that result in a draft expenditure plan for both Measure A and Measure AA. The draft plans were presented to each of Marin’s City/Town Councils and to numerous stakeholder groups for review and input. Comments received prompted refinements reflected in the Final Measure A/AA Transportation Sales Tax Expenditure Plans (Plans).

The original Marin County Transportation Sales Tax Expenditure Plan (Measure A) was approved in November 2004 and subsequently, the renewed Marin County Transportation Sales Tax Expenditure Plan was approved by 76.7% of Marin voters as Measure AA in November 2018. This renewed the current ½-cent transportation sales tax for another 20 years, until 2039.

The Plan is administered by the Authority. Its 16-member Board of Commissioners consists of the five Board of Supervisors and a council member of each incorporated City/Town. The Authority is accountable to a 12-member Citizens’ Oversight Committee (Committee), created with the assistance of the League of Women Voters. The Committee reviews all expenditures and reports annually and reports to the public in its annual report.

TOWN OF TIBURON
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

1. Obtained original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the audit period or for the period during which funding was utilized for an approved project.
2. Reviewed Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the audit period or for the projects being audited.
3. Interviewed finance staff regarding internal controls in the following areas, specific to, but not limited to, accounting for Measure A/AA funding, to obtain an understanding of the entity's operations:
 - a. Cash Disbursements – Reviewed policies and procedures regarding approval, defacements, accounts payable check processing, and other matters related to the disbursement of funds.
 - b. Cash Receipts – Reviewed policies and procedures regarding cash handling of over-the-counter receipts and cash receipts received through the mail, bank deposits, bank reconciliations, and other matters related to the receipt of funds.
4. Obtained all invoices submitted to the Authority for reimbursements, if applicable.
5. Obtained supporting documentation for all invoices submitted to the Authority for reimbursements, including construction, personnel, project management, consultants, and other related costs.
6. Obtained general ledger detail for revenue and expenditures charged to the Measure A/AA funding source or equivalent reports where income and expenses associated with Measure A/AA funds can be clearly identified.
7. Reviewed remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
8. For reimbursement-based agreements/contracts, we reviewed all invoices submitted to the Authority to ensure that the costs being billed on the invoices reconcile with the ones being charged to the specific Measure A/AA cost center in the entity's financial accounting system.
9. For reimbursement-based agreements/contracts, expenditures charged to the specific cost center or fund code designated for Measure A/AA funding were selected on a random basis and tested for the following attributes:
 - a. Approval – Reviewed invoices and supporting documentation to ensure that the proper review and approval process occurred and was documented on the invoice.
 - b. Invoice – Reviewed invoices and supporting documentation to ensure that they were mathematically accurate, properly addressed to the auditee and had sufficient detail to justify the amounts being charged and the cost center or fund code to which it was charged to.
 - c. Coding – Reviewed invoices and supporting documentation to ensure that they had been correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
 - d. Allowable – Reviewed invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A/AA funding were allowable costs based on the Measure A/AA Expenditure Plans, the entity's funding agreement with the Authority, and specific requirements of the Strategy/Category for which the funds were restricted for. Also reviewed expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

TOWN OF TIBURON
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

10. For entities receiving funding in advance for Measure A Strategy 3 and/or Measure AA Category 2 under a funding agreement, we reviewed, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A/AA were reasonable for the project. In addition, expenditures were also tested in the same fashion as outlined in Step 9 of this list.
11. For entities where capital construction projects were funded utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we obtained the necessary project files and reviewed them for the following requirements:
 - a. Procurement Process – Reviewed procurement process of the project to ensure that the project was properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective Request For Proposal (RFP) submittals were followed, we determined whether the process was adequate in regards to the project. Reviewed any other evidence of procurement when appropriate, such as fax logs or mailing lists.
 - b. Bids and Proposals – Reviewed bids and proposals received to ensure that sufficient bids were received in regards to the project.
 - c. Bid Award – Reviewed County Board of Supervisor and/or City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project was properly approved and documented in a public forum. Also, we reviewed bidding results to ensure that the lowest bid was selected, and if the lowest bid was not selected, that there was sufficient documentation for any other selection process utilized.
12. For entities where professional service contracts were paid utilizing Measure A/AA funding, with regards to construction projects or other purposes, we reviewed the policies and procedures of the entity in question to ensure that internal policies and procedures were followed in regards to the selection of professional service firms.
13. For entities where capital construction projects were paid utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we reviewed any applicable environmental review requirements and reviewed documentation to verify that all reports and reviews were performed prior to the start of any construction.
14. For entities where personnel costs were charged to Measure A/AA funding, we selected a representative sample of charges for personnel costs and tested for the following:
 - d. Recalculation – Reviewed and reconciled wage rates from personnel costs charged to Measure A/AA cost center or fund code to the entity’s payroll registers to ensure that wage rates being charged were accurate and properly approved; reviewed all benefits and fringe costs being allocated in addition to wage rates to ensure that they were accurate and appropriate; recalculated personnel costs utilizing wage rates and hours being charged to ensure that the amounts were mathematically accurate; review the calculation to ensure no indirect costs were included in the reimbursement request.
 - e. Timesheet – Reviewed timesheets for selected personnel costs to ensure that hours being charged to Measure A/AA are properly supported with an approved timesheet. All charges to Measure A/AA funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. We also reviewed timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor were present. Electronic time documentation methods must also have similar electronic signatures.
15. Obtained close-out reports, from completed capital construction projects, submitted to the Authority.
16. Reviewed close-out reports to ensure that they were submitted within 90 days and were properly certified in accordance with the entity’s funding agreement/contract with the Authority.

TOWN OF TIBURON
Measure A/AA Compliance Report
Attachment B - Findings and Observations
June 30, 2020

None Noted

TOWN OF TIBURON
Measure A/AA Compliance Report
Attachment C – Schedule of Funding Allocations and Expenditures
June 30, 2020

<i>Measure A Allocation</i>				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 14/15	#2015-011	4.3	3/26/2015	\$ 116,000
Total Measure A Allocation				\$ 116,000
<i>Measure A Expenditures</i>				
Project Name	Phase	Measure A Strategy	Completion Date	Amount
Safe Pathways to School Projects	n/a	4.3	Various	\$ 115,919
Total Measure A Expenditure				\$ 115,919

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

Transportation Authority of Marin
900 Fifth Ave #100
San Rafael, California

Compliance

We have audited the Town of Ross's (Town) compliance with the types of compliance requirements described in the Measure A/AA Expenditure Plans and the respective funding agreement with the Transportation Authority of Marin (Authority), for the fiscal year ended June 30, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to compliance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Management of the Town of Ross is responsible for compliance with the Measure A/AA Expenditure Plans and requirements of its funding agreement with the Authority. Our responsibility is to express an opinion on the Town's compliance based on our audit.

Our audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied with the compliance requirements referred to above for funding allocated for the Safe Pathways to School Projects completed during the fiscal years ended June 30, 2017.

Internal Control over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Measure A/AA funded programs. In planning and performing our audit, we considered the Town's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We noted no deficiencies that we considered to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We noted no deficiencies that we considered to be significant deficiencies.

This report is intended solely for the information of the Board of Commissioners, Town Council, Citizens' Oversight Committee, Management of the Authority, and Management of the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA
December 7, 2020

TOWN OF ROSS
Measure A/AA Compliance Report
Notes to the Compliance Report
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Ross (Town) is an incorporated Town that receives funding under the Measure A/AA Expenditure Plans as a member of the County of Marin.

Basis of Accounting

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NOTE 2 MEASURE A/AA SALES TAX

The Measure A/AA sales tax is a ½-cent sales tax originally approved as Measure A in 2004 and then renewed as Measure AA in 2018 by the voters of Marin. Together, it is expected to provide more than \$1.2 billion in reliable local transportation dollars as a step in implementing the “transportation vision” set forth by the County of Marin and the Authority, as a plan to alleviate traffic congestion, reinvent the public transportation system, provide addition pedestrian and bike pathways, provide safer routes to school, and many other additional transit related goals. Various community and advocacy groups in each part of the County, representing the many diverse interests in Marin, provided input that result in a draft expenditure plan for both Measure A and Measure AA. The draft plans were presented to each of Marin’s City/Town Councils and to numerous stakeholder groups for review and input. Comments received prompted refinements reflected in the Final Measure A/AA Transportation Sales Tax Expenditure Plans (Plans).

The original Marin County Transportation Sales Tax Expenditure Plan (Measure A) was approved in November 2004 and subsequently, the renewed Marin County Transportation Sales Tax Expenditure Plan was approved by 76.7% of Marin voters as Measure AA in November 2018. This renewed the current ½-cent transportation sales tax for another 20 years, until 2039.

The Plan is administered by the Authority. Its 16-member Board of Commissioners consists of the five Board of Supervisors and a council member of each incorporated City/Town. The Authority is accountable to a 12-member Citizens’ Oversight Committee (Committee), created with the assistance of the League of Women Voters. The Committee reviews all expenditures and reports annually and reports to the public in its annual report.

TOWN OF ROSS
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

1. Obtained original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the audit period or for the period during which funding was utilized for an approved project.
2. Reviewed Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the audit period or for the projects being audited.
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6. Obtained general ledger detail for revenue and expenditures charged to the Measure A/AA funding source or equivalent reports where income and expenses associated with Measure A/AA funds can be clearly identified.
7. Reviewed remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A/AA funding.
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 - d. Allowable – Reviewed invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A/AA funding were allowable costs based on the Measure A/AA Expenditure Plans, the entity's funding agreement with the Authority, and specific requirements of the Strategy/Category for which the funds were restricted for. Also reviewed expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

TOWN OF ROSS
Measure A/AA Compliance Report
Attachment A – Procedures Performed
June 30, 2020

10. For entities receiving funding in advance for Measure A Strategy 3 and/or Measure AA Category 2 under a funding agreement, we reviewed, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A/AA were reasonable for the project. In addition, expenditures were also tested in the same fashion as outlined in Step 9 of this list.
11. For entities where capital construction projects were funded utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we obtained the necessary project files and reviewed them for the following requirements:
 - a. Procurement Process – Reviewed procurement process of the project to ensure that the project was properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective Request For Proposal (RFP) submittals were followed, we determined whether the process was adequate in regards to the project. Reviewed any other evidence of procurement when appropriate, such as fax logs or mailing lists.
 - b. Bids and Proposals – Reviewed bids and proposals received to ensure that sufficient bids were received in regards to the project.
 - c. Bid Award – Reviewed County Board of Supervisor and/or City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project was properly approved and documented in a public forum. Also, we reviewed bidding results to ensure that the lowest bid was selected, and if the lowest bid was not selected, that there was sufficient documentation for any other selection process utilized.
12. For entities where professional service contracts were paid utilizing Measure A/AA funding, with regards to construction projects or other purposes, we reviewed the policies and procedures of the entity in question to ensure that internal policies and procedures were followed in regards to the selection of professional service firms.
13. For entities where capital construction projects were paid utilizing Measure A Strategy 1, 3 & 4 and Measure AA Category 2, 3 & 4 and the Major Road Set-aside funding, we reviewed any applicable environmental review requirements and reviewed documentation to verify that all reports and reviews were performed prior to the start of any construction.
14. For entities where personnel costs were charged to Measure A/AA funding, we selected a representative sample of charges for personnel costs and tested for the following:
 - d. Recalculation – Reviewed and reconciled wage rates from personnel costs charged to Measure A/AA cost center or fund code to the entity’s payroll registers to ensure that wage rates being charged were accurate and properly approved; reviewed all benefits and fringe costs being allocated in addition to wage rates to ensure that they were accurate and appropriate; recalculated personnel costs utilizing wage rates and hours being charged to ensure that the amounts were mathematically accurate; review the calculation to ensure no indirect costs were included in the reimbursement request.
 - e. Timesheet – Reviewed timesheets for selected personnel costs to ensure that hours being charged to Measure A/AA are properly supported with an approved timesheet. All charges to Measure A/AA funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. We also reviewed timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor were present. Electronic time documentation methods must also have similar electronic signatures.
15. Obtained close-out reports, from completed capital construction projects, submitted to the Authority.
16. Reviewed close-out reports to ensure that they were submitted within 90 days and were properly certified in accordance with the entity’s funding agreement/contract with the Authority.

TOWN OF ROSS
Measure A/AA Compliance Report
Attachment B - Findings and Observations
June 30, 2020

None Noted

TOWN OF ROSS
Measure A/AA Compliance Report
Attachment C – Schedule of Funding Allocations and Expenditures
June 30, 2020

<i>Measure A Allocation</i>				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 16/17	#2015-007	4.3	1/17/2017	\$ 25,000
Total Measure A Allocation				\$ 25,000
<i>Measure A Expenditures</i>				
Project Name	Phase	Measure A Strategy	Completion Date	Amount
Safe Pathways to School Projects	n/a	4.3	6/15/2017	\$ 25,000
Total Measure A Expenditure				\$ 25,000

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TAM Board

January 28, 2021

Review and Acceptance of the 2020 Measure A/AA Compliance Audit Process and Results



Compliance Audit Policy and Background

- TAM has a fiduciary responsibility to the voters of Marin County to ensure that both the ½-Cent Measure A and Measure AA Transportation Sales Tax funds are spent appropriately and in accordance with the Measure A and Measure AA Expenditure Plans.
- With the help of the COC, the Measure A Compliance Audit Policy was developed and adopted by the TAM Board in 2010. Last amendment to the Policy was reviewed and approved by the COC and TAM Board in March 2020 to include all Measure AA projects and programs.
- First Round of audits started in 2011 and this is our 10th round

Strategy 1, Local Transit – annually

Strategy 2, Highway 101 Gap Closure – at least one compliance audit for major consultant support contract that's over \$1 million.

Strategy 3.1, Major Roads – by project phase (planning and environmental review, project design and construction)

Strategy 3.2, Local Roads – one audit per year

Strategy 4.1, Safe Access to Schools – every three years

Strategy 4.2, Crossing Guards – every two years

Strategy 4.3, Safe Pathways to Schools – up to two audits per year

Use of interest funds – every three years

Frequency of Audits:

Measure AA Program/Project

Category 1, Highways - at least one compliance audit for major consultant support contract that's over \$1 million.

Category 2, Local Transportation Infrastructure – one compliance audit per year.

Category 3.1, Safe Access to Schools - every three years or when a new contract is in place.

Category 3.2, Crossing Guards - every two years or with first year with new vendor

Category 3.3, Safe Pathways to Schools - up to two per year, one big and one small project

Category 4, Local Transit – annually

Major Road Project Set Aside - by project (planning and environmental review, project design and construction)

Use of interest funds – every three years

General Annual Process and Timeline

- Selection and approval of list of fund recipients subject to audit – June
- Compliance Audit Workshop – August/September
- Auditor field work and meetings – October/November
- Review of audit results by staff and fund recipients – November/December
- Audit results presented to COC and TAM Board for review and acceptance – December/January

Recipients Selected for 2020 Audit Cycle

Measure A/AA Fund Recipients Selected for the 2020 Compliance Audit Cycle

No.	Fund Recipient	Funding Strategy/Category
Measure A Strategy 1/Measure AA Category 4 Local Bus Transit System		
1	Marin Transit	For all Measure A/AA funds received for its FY2019-20 transit operation and capital needs
Measure A Strategy 3.1/Measure AA Major Road Set Aside		
2	City of Novato	For its usage of the FY2019-20 or prior Measure A/AA Major Roads funds for the Planning and Environmental Review phase of Novato Blvd Project
Measure A Strategy 3.2/Measure AA Category 2.1 Local Street and Road		
3	County of Marin	For the usage of the FY2019-20 or prior Measure A/AA Local Roads funds
Measure A Strategy 4.2/Measure AA Category 3.2 Crossing Guard Program		
4	All City Management Services	For usage of crossing guard funding in FY2019-20
Measure A Strategy 4.3 Safe Pathways to School Project		
5	Town of Tiburon	Large capital project, for Measure A funds received for Greenwood Cove Drive/Blackfield Drive and Tiburon Boulevard Bike/Ped Improvements Project
6	Town of Ross	Small capital projects, for Measure A funds received for SFD Sidewalk Construction

2020 Compliance Audit Results



Marin Transit

Measure A/AA Allocation

Allocation Period	Agreement Number	Strategy/Category	Agreement Date	Available Amount
FY 19/20	A-FY20-02	Measure A Strategy 1	7/1/2019	\$ 6,088,063
FY 19/20	A-FY20-02	Measure AA Category 4	7/1/2019	\$ 12,800,000
Total Measure A/AA Allocation				\$ 18,888,063

Measure A/AA Expenditures

Project Name	Strategy/Category	Amount
Local Bus Transit	A S1.1	\$ 1,699,571
Capital Improvements	A S1.4	\$ 2,932,857
Bus Transit Services	AA C4.1	\$ 7,007,838
Rural/Recreational Bus Services	AA C4.2	\$ 900,000
Transit Services for Special Needs	AA C4.3	\$ 2,137,479
Transit Services to Schools	AA C4.4	\$ 1,167,047
Total Measure A/AA Expenditures		\$ 15,844,792

City of Novato

<i>Measure A Allocation</i>				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 07/08	#A2007-20	3.1	9/26/2008	\$ 401,085
Total Measure A Allocation				\$ 401,085
<i>Measure A Expenditures</i>				
Project Name	Phase	Measure A Strategy	Date of Completion	Amount
Novato Blvd. Pavement Rehab Segment 1	n/a	3.1	N/A	\$ 342,517
Total Measure A Expenditure				\$ 342,517

County of Marin

Measure A/AA Allocation

Allocation Period	Agreement Number	Strategy/Category	Agreement Date	Available Amount
FY 19/20	#A-FY20-17	3.2	7/1/2019	\$ 822,947
FY 19/20	#A-FY20-17	2.1	7/1/2019	\$ 454,465
Total Measure A/AA Allocation				\$ 1,277,412

Measure A/AA Expenditures

Project Name	Phase	Strategy/Category	Date of Completion	Amount
2019 Road Rehab Project - Southern Region	n/a	3.2/2.1	10/12/2020	\$ 1,277,412
Total Measure A/AA Expenditures				\$ 1,277,412

All City Management Services

<i>Measure A/AA Allocation</i>				
Allocation Period	Contract Number	Strategy/Category	Contract Date	Available Amount
FY 19/20	C-FY19-03	A 4.2/AA 3.2	7/31/2018	\$ 2,260,000
Total Contract Amount				\$ 2,260,000
<i>Measure A/AA Expenditures</i>				
Project Name	Strategy/Category		Amount	
Crossing Guard Services	A 4.2/AA 3.2		\$ 1,028,725	
Total Measure A/AA Expenditures			\$ 1,028,725	

Town of Tiburon

<i>Measure A Allocation</i>				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 14/15	#2015-011	4.3	3/26/2015	\$ 116,000
Total Measure A Allocation				\$ 116,000
<i>Measure A Expenditures</i>				
Project Name	Phase	Measure A Strategy	Completion Date	Amount
Safe Pathways to School Projects	n/a	4.3	Various	\$ 115,919
Total Measure A Expenditure				\$ 115,919

Town of Ross

<i>Measure A Allocation</i>				
Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Amount
FY 16/17	#2015-007	4.3	1/17/2017	\$ 25,000
Total Measure A Allocation				\$ 25,000
<i>Measure A Expenditures</i>				
Project Name	Phase	Measure A Strategy	Completion Date	Amount
Safe Pathways to School Projects	n/a	4.3	6/15/2017	\$ 25,000
Total Measure A Expenditure				\$ 25,000

Q&A

